

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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In the Matter of:

Communications Assistance for Law
Enforcement Act

CC Docket No. 97-213

**REPLY COMMENTS REGARDING THE
CONFIDENTIAL TREATMENT OF COST DATA**

The Department of Justice and the Federal Bureau of Investigation ("DOJ/FBI") file these reply comments in support of DOJ/FBI's Petition for Reconsideration of the Order of the Office of Engineering and Technology ("OET") released in this proceeding on March 2, 1999. That Order granted the requests of five telecommunications equipment manufacturers for confidential treatment of cost data submitted in this proceeding. DOJ/FBI sought reconsideration because OET's Order departs from the policies and procedures that the Commission has established for the use of confidential information in rulemaking proceedings.^{1/} DOJ/FBI requested that the Commission either return the confidential materials to the manufacturers that submitted them or modify the order to provide a meaningful opportunity to comment upon the underlying data. Five interested parties have opposed DOJ/FBI's petition.^{2/}

^{1/} See Treatment of Confidential Information Submitted to the Commission, GC Docket No. 96-55, Report and Order, FCC 98-184, (released August 4, 1998).

^{2/} The Cellular Telecommunications Industry Association ("CTIA") filed an opposition to DOJ/FBI's petition in early April. On May 28, 1999, the Commission set a deadline of June 23, (continued...)

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1. The commenters argue that the Commission should deny DOJ/FBI's petition for reconsideration because the cost of a particular assistance capability may determine whether or not that capability is required by CALEA. See BellSouth Opposition at 2; CTIA Opposition at 3; US West Opposition at 2; USTA Opposition at 2. This argument overlooks the limited role that Congress assigned to cost considerations when it identified the scope of CALEA's assistance capability requirements. As DOJ/FBI has repeatedly explained, cost is significant in determining how the assistance capability requirements of Section 103 are to be met, but it cannot be used to excuse carriers from "meet[ing] the assistance capability requirements" in the first instance. 47 U.S.C. § 1006(b)(1).^{2/} In any event, if the commenters were correct about the overwhelming significance of cost considerations, then it would be even more important for the Commission to provide the parties with a meaningful opportunity to address the details of the manufacturers' submissions.

2. USTA contends that the DOJ/FBI Petition is moot because OET has already released aggregated data pursuant to its Order regarding confidentiality and "the DOJ/FBI and all

^{2/}(...continued)

1999 within which further oppositions might be filed. Petitions for Reconsideration of Action in Rulemaking Proceedings, 64 Fed. Reg. 30, 519 (1999). Four additional interested parties filed timely oppositions: BellSouth Corporation ("BellSouth"); MCI WorldCom, Inc. ("MCI WorldCom"); U S West, Inc. ("U S West") and the United States Telephone Association ("USTA").

^{3/} DOJ/FBI's filings in this proceeding have fully set forth the considerations relating to the significance of cost under Section 107 of CALEA. Rather than repeat those considerations here, we refer the Commission to the relevant parts of our prior filings. See, e.g., DOJ/FBI December 14, 1998 Comments Regarding Standards For Assistance Capability Requirements at 8-15; DOJ/FBI January 27, 1999 Reply Comments Regarding Standards For Assistance Capability Requirements at 8-18; DOJ/FBI March 30, 1999 Petition For Reconsideration at 3-4; DOJ/FBI May 17, 1999 Comments Regarding CALEA Manufacturer Revenue Estimates at 3-4; DOJ/FBI May 27, 1999 Reply Comments Regarding CALEA Manufacturer Revenue Estimates at 2-3.

interested parties were provided an opportunity to see the aggregate estimates and to provide comments" upon them. USTA Opposition at 2. USTA's objection misses the point of the reconsideration petition. In seeking reconsideration, DOJ/FBI sought not to prevent the release of the cost data — although this would have occurred if the Commission had decided to return information to the manufacturers under 47 C.F.R. § 0.459(e) — but to ensure that cost data would be available for meaningful comment and would provide a sound basis for agency decisionmaking.

DOJ/FBI requested three alternative forms of relief that required no suppression of cost information, but, rather, would have added to the record before the Commission regarding cost. First, DOJ/FBI requested access to the confidential data under a protective order so that it could provide substantive comments to the Commission. Petition at 7. Second, it asked the Commission to condition a grant of confidentiality upon the manufacturers' agreement to release DOJ/FBI from the non-disclosure agreements that have prevented the FBI from sharing its own manufacturer cost data with the Commission. Id. at 8. Third, it sought disclosure of the assumptions that form the basis of the manufacturers' analyses of cost, such as the number and type of switches covered, estimated phase-in requirements, and discounts to be offered on price. Ibid. ⁴

None of these requests for relief was rendered moot either by the Commission's release of the aggregated data or by the subsequent filing of comments. On the contrary, DOJ/FBI has

⁴ MCI WorldCom asserts that "[t]he basic relief that the DOJ/FBI seek, is that the Commission not consider cost data on the public record." MCI WorldCom Opp. at 1. MCI WorldCom has overlooked DOJ/FBI's requests for relief that would accommodate the submission of cost data, but would modify the existing confidentiality Order to allow for meaningful notice and comment.

explained to the Commission why the aggregated revenue estimates could not assist the Commission in fulfilling its responsibilities under Section 107, and why further information regarding costs must be obtained. See DOJ/FBI May 17, 1999 Comments Regarding CALEA Manufacturer Revenue Estimates; DOJ/FBI May 27, 1999 Reply Comments Regarding CALEA Manufacturer Revenue Estimates. DOJ/FBI still seeks the relief requested in the petition so that the deficiencies in the Commission's record on costs may be addressed, and the Commission remains free to grant that relief.

3. Both USTA and MCI WorldCom erroneously suggest that DOJ/FBI is deliberately withholding cost data from the Commission. See USTA Opp. at 2; MCI WorldCom Opp. at 2. As DOJ/FBI has explained, however, it is unable to provide the Commission with price information submitted to DOJ/FBI by manufacturers because that information is subject to non-disclosure agreements that prohibit the FBI from disclosing price information without the manufacturers' consent. See Petition for Reconsideration at 7. Far from seeking to withhold its cost data, DOJ/FBI has specifically asked the Commission for assistance in encouraging the manufacturers to consent to the disclosure of cost information provided to the FBI. See *id.* at 8 (requesting that the Commission "grant confidential treatment to * * * manufacturers only on condition that the manufacturers release the FBI from pertinent nondisclosure agreements, at least to the extent necessary for DOJ/FBI to submit its own cost information to the Commission").

4. The commenters have made no attempt to show that OET's Order regarding confidentiality allows for meaningful comment upon the cost data submitted in this proceeding. Accordingly, for the reasons set forth in DOJ/FBI's Petition for Reconsideration, the Commission

should vacate OET's Order and should fashion relief that better serves its general policy regarding the treatment of confidential materials.

DATE: July 6, 1999

Respectfully submitted,

Larry R. Parkinson

Larry R. Parkinson
General Counsel
Federal Bureau of Investigation
935 Pennsylvania Avenue, N.W.
Washington, D.C. 20535

By: Thomas C. Kelly
Deputy General Counsel

Douglas N. Letter

Douglas N. Letter
Appellate Litigation Counsel
Civil Division
U.S. Department of Justice
601 D Street, N.W., Room 9106
Washington, D.C. 20530
(202) 514-3602

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:)

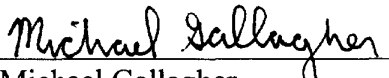
Communications Assistance for Law)
Enforcement Act)
_____)

CC Docket No. 97-213

Certificate of Service

I, Michael Gallagher, a Program Analyst in the office of the Federal Bureau of Investigation, Washington, D.C., hereby certify that, on July 6, 1999, I caused to be served, by first-class mail, postage prepaid (or by hand where noted) copies of the above-referenced Reply Comments Regarding The Confidential Treatment Of Cost Data, the original of which is filed herewith and upon the parties identified on the attached service list.

DATED at Washington, D.C. this 6th day of July, 1999.



Michael Gallagher

**IN THE MATTER OF:
COMMUNICATIONS ASSISTANCE FOR LAW ENFORCEMENT ACT
CC DOCKET 97-213
SERVICE LIST**

*The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W., Room 8B201
Washington, D.C. 20554

*The Honorable Harold Furchtgott-Roth
Commissioner
Federal Communications Commission
445 12th Street, S.W., Room 8A302
Washington, D.C. 20554

*The Honorable Susan Ness
Commissioner
Federal Communications Commission
445 12th Street, S.W., Room 8B115
Washington, D.C. 20554

*The Honorable Michael Powell
Commissioner
Federal Communications Commission
445 12th Street, S.W., Room 8A204
Washington, D.C. 20554

*The Honorable Gloria Tristani
Commissioner
Federal Communications Commission
445 12th Street, S.W., Room 8C302
Washington, D.C. 20554

*Ari Fitzgerald
Legal Advisor to Chairman Kennard
Federal Communications Commission
445 12th Street, S.W., Room 8B201
Washington, D.C. 20554

*James Casserly
Legal Advisor to Commissioner Ness
Federal Communications Commission
445 12th Street, S.W., Room 8B115B
Washington, D.C. 20554

*Paul E. Misener
Senior Legal Advisor to Commissioner Furchtgott-Roth
Federal Communications Commission
445 12th Street, S.W., Room 8A302B
Washington, D.C. 20554

*Peter A. Tenhula
Legal Advisor to Commissioner Powell
Federal Communications Commission
445 12th Street, S.W., Room 8A204F
Washington, D.C. 20554

*Karen Gulick
Legal Advisor to Commissioner Tristani
Federal Communications Commission
445 12th Street, S.W., Room 8C302F
Washington, D.C. 20554

*Christopher J. Wright
General Counsel
Federal Communications Commission
445 12th Street, S.W., Room 8C755
Washington, D.C. 20554

*Lawrence E. Strickling
Chief
Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Thomas Sugrue
Bureau Chief
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Anna Gomez
Chief
Network Services Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Kent Nilsson
Office of Engineering and Technology
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Charles Iseman
Office of Engineering and Technology
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Jim Burtle
Office of Engineering and Technology
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Julius Knapp
Office of Engineering and Technology
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Rodney Small
Office of Engineering and Technology
Federal Communications Commission
445 12th Street, S.W., 7-A121
Washington, D.C. 20554

*Geraldine Matise
Office of Engineering and Technology
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Charlene Lagerwerff
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W., 4-A124
Washington, D.C. 20554

*James F. Green
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W., 4-A237
Washington, D.C. 20554

*Tejal Mehta
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*David O. Ward
Network Services Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Dale Hatfield
Chief
Office of Engineering and Technology
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Susan Aaron
Office of General Counsel
Federal Communications Commission
445 12th Street, S.W., 8-A522
Washington, D.C. 20554

*Diane Conley
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W., 4th Floor
Washington, D.C. 20554

*David Krech
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W., 4-A223
Washington, D.C. 20554

Matthew J. Flanigan
President
Telecommunications Industry Association
Suite 300
2500 Wilson Boulevard
Arlington, VA 22201-3834

Stewart A. Baker
Tom Barba
Steptoe & Johnson LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036-1795

Thomas Wheeler
President & CEO
Cellular Telecommunications Industry Association
Suite 200
1250 Connecticut Avenue, N.W.
Washington, D.C. 20036

Albert Gidari
Perkins Coie
1201 Third Avenue
40th Floor
Seattle, Washington 98101

Mark J. Golden
Senior Vice President, Industry Affairs
Robert Hoggarth
Senior Vice President, Paging/Messaging
Personal Communications Industry Association
Suite 700
500 Montgomery Street
Alexandria, VA 22314-1561

Roy Neel
President & CEO
United States Telephone Association
Suite 600
1401 H Street, N.W.
Washington, D.C. 20005-2164

Alliance for Telecommunication Industry Solutions
Suite 500
1200 G Street, N.W.
Washington, D.C. 20005

Jerry Berman
Executive Director
Center for Democracy and Technology
Suite 1100
1634 Eye Street, N.W.
Washington, D.C. 20006

Mark C. Rosenblum
Ava B. Kleinman
Seth S. Gross
Room 3252F3
295 North Maple Avenue
Basking Ridge, NJ 07920

William L. Roughton, Jr.
Associate General Counsel
PrimeCo Personal Communications, L.P.
Suite 320 South
601 13th Street, N.W.
Washington, D.C. 20005

Pamela J. Riley
David A. Gross
AirTouch Communications, Inc.
1818 N Street, N.W.
Washington, D.C. 20036

Joseph R. Assenzo
4900 Main Street, 12th Floor
Kansas City, MO 64112

James P. Lucier, Jr.
Director of Economic Research
Americans for Tax Reform
Suite 200
1320 18th Street, N.W.
Washington, D.C. 20036

Lisa S. Dean
Director, Center for Technology Policy
Free Congress Foundation
717 Second Street, N.E.
Washington, D.C. 20002

Anita Sheth
Director, Regulatory Policy Studies
Citizens for a Sound Economy
Suite 700
1250 H Street, N.W.
Washington, D.C. 20005

James X. Dempsey
Senior Staff Counsel
Daniel J. Weitzner
Deputy Director
Center for Democracy and Technology
Suite 1100
1634 Eye Street, N.W.
Washington, D.C. 20006

Eric W. DeSilva
Stephen J. Rosen
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Lawrence E. Sarjeant
Linda Kent
Keith Townsend
Suite 600
1401 H Street, N.W.
Washington, D.C. 20005

Michael Altschul
Vice President and General Counsel
Randall S. Coleman
Vice President, Regulatory Policy and Law
Cellular Telecommunications Industry Association
Suite 200
1250 Connecticut Avenue, N.W.
Washington, D.C. 20036

John Pignataro
Senior Technical Advisor
Police Department, City of New York
Fort Totten Building 610
Bayside, NY 11359

Barbara J. Kern
Counsel
Ameritech Corporation
4H74
2000 Ameritech Center Drive
Hoffman Estates, IL 60196

James D. Ellis
Robert M. Lynch
Durward D. Dupre
Lucille M. Mates
Frank C. Magill
175 E. Houston, Room 4-H-40
San Antonio, TX 78205

Robert Vitanza
Suite 1300
15660 Dallas Parkway
Dallas, TX 75248

M. Robert Sutherland
Theodore R. Kingsley
BellSouth Corporation
Suite 1700
1155 Peachtree Street, N.E.
Atlanta, GA 30309-3610

Michael P. Goggin
BellSouth Cellular Corp.
Suite 910
1100 Peachtree Street, N.E.
Atlanta, GA 30309-4599

Michael W. White
BellSouth Wireless Data, L.P.
10 Woodbridge Center Drive, 4th Floor
Woodbridge, NJ 07095-1106

J. Lloyd Nault, II
BellSouth Telecommunications, Inc.
4300 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375

Charles M. Nalborne
Suite 400
3353 Peachtree Road, N.E.
Atlanta, GA 30326

Kurt A. Wimmer
Gerard J. Waldron
Alane C. Weixel
Ellen P. Goodman
Erin Egan
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044-7566

William T. Lake
John H. Harwood II
Samir Jain
Todd Zubler
Wilmer, Cutler & Pickering
2445 M Street, N.W.
Washington, D.C. 20037-1420

Kathryn Marie Krause
Edward M. Chavez
1020 19th Street, N.W.
Washington, D.C. 20036

Martin L. Stern
Lisa A. Leventhal
Preston Gates Ellis & Rouvelas Meeds LLP
Suite 500
1735 New York Avenue, N.W.
Washington, D.C. 20006

John M. Goodman
Attorney for the Bell Atlantic telephone companies
1300 I Street, N.W.
Washington, D.C., 20005

Francis D. R. Coleman
Director of Regulatory Affairs- North America
ICO Global Communications
1101 Connecticut Avenue, NW
Suite 550
Washington, D.C. 20036

Cheryl A. Tritt
James A. Casey
Morrison & Foerster LLP
2000 Pennsylvania Avenue, N.W.
Suite 5500
Washington, D.C. 20006

Joel M. Margolis
Corporate Counsel-Regulatory
Nextel Communications, Inc.
1505 Farm Credit Drive
Suite 100
McLean, Virginia 22102

Sylvia Lesse
Marci Greenstein
Kraskin, Lesse & Cosson, LLP
2120 L Street, N.W.
Suite 520
Washington, DC 20037

Robert M. Lynch
Roger K. Toppins
Hope E. Thurrott
One Bell Plaza, Room 3023
Dallas, Texas 75202

John T. Scott, III
Crowell & Moring LLP
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Henry M. Rivera
Larry S. Solomon
J. Thomas Nolan
Shook, Hardy & Bacon LLP
1850 K Street, N.W.
Suite 900
Washington, D.C. 20006

Colette M. Capretz
Fisher Wayland Cooper
Leader & Zaragoza LLP
2001 Pennsylvania Ave., N.W.
Suite 400
Washington, D.C. 20006

Lon C. Levin
Vice President and Regulatory Counsel
American Mobile Satellite Corporation
10802 Park Ridge Boulevard
Reston, Virginia 20191

Carole C. Harris
Christine M. Gill
Anne L. Fruehauf
McDermott, Will & Emery
600 Thirteenth St., N.W.
Washington, D.C. 20005

Peter M. Connolly
Koteen & Naftalin, LLP
1150 Connecticut Ave., N.W.
Washington, D.C. 20036

Edward J. Wisniefski
Deputy Assistant Administrator
Office of Investigative Technology
Drug Enforcement Administration
8198 Terminal Road
Lorton, VA 22079

Dudley M. Thomas
Director
Texas Department of Public Safety
5805 N. Lamar Blvd.
Box 4087
Austin, Texas 78773-0001

Colonel Carl A. Williams
Superintendent, New Jersey State Police
Post Office Box 7068
West Trenton, NJ 08628-0068

L. Marie Guillory
Jill Canfield
National Telephone Cooperative Association
4121 Wilson Blvd. 10th Floor
Arlington, VA 22203-1801

*International Transcription Service, Inc.
1231 20th Street, N.W.
Washington, D.C. 20036

* Hand Delivered